

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

In re:

HILAL K. HOMAIDAN fka Helal K. Homaidan  
Debtor,

Chapter 7

Case No. 08-48275 (ESS)

In re:

REEHAM YOUSSEF aka Reeham Navarro Youssef aka  
Reeham N. Youssef  
Debtor,

Chapter 7

Case No. 13-46495 (ESS)

HILAL K. HOMAIDAN and REEHAM YOUSSEF on  
behalf of themselves and all others similarly situated

Plaintiffs,

Adv. Pro. No. 17-1085

v.

SALLIE MAE, INC, NAVIENT SOLUTIONS, LLC,  
NAVENT CREDIT FINANCE CORPORATION

Defendants.

**DECLARATION OF GEORGE F. CARPINELLO IN SUPPORT OF**  
**PLAINTIFFS' MOTIONS FOR SUMMARY JUDGMENT,**  
**CLASS CERTIFICATION AND A PRELIMINARY INJUNCTION**

George F. Carpinello, an attorney at law admitted to practice before the Courts of the State of New York and the Eastern District of New York, declares pursuant to 28 U.S.C. § 1746 as follows:

1. I am a partner with the law firm of Boies Schiller Flexner, LLP, attorney for Plaintiffs, and I make this declaration in support of Plaintiffs' motions for class certification, summary judgment and preliminary injunction.
2. Attached hereto as Exhibit A are excerpts of the transcript dated October 16, 2019.
3. Attached hereto as Exhibit B is the Court's order of December 4, 2019 granting plaintiff Youseff's Motion to re-open her bankruptcy proceeding.
4. Attached hereto as Exhibit C is the Court's order of December 17, 2019, granting Plaintiffs' motion to amend the complaint herein to add Reeham Youssef as a Plaintiff in this proceeding.
5. Attached hereto as Exhibit D is a document entitled "Sallie Mae Tuition Answer Loan" produced online by Defendants.
6. Attached hereto as Exhibit E is the prepared statement of Barry W. Goulding, Senior Vice President of Sallie Mae, dated June 6, 2007.
7. Attached hereto as Exhibit F is a document entitled "Compare federal vs. private loans" published by Sallie Mae and available online at <https://www.salliemae.com/college-planning/student-loans-and-borrowing/compare-federal-vs-private-loans/>, last visited on November 11, 2019.
8. Attached hereto as Exhibit G are excerpts of the deposition of Patricia Peterson taken on July 9, 2019 ("Peterson III").

9. Attached hereto as Exhibit H is an excerpt of the deposition of Patrick Theurer taken on October 30, 2019.

10. Attached hereto as Exhibit I is a document Sallie Mae placed online to advise loan applicants of where they can find the cost of attendance for their school.

11. Attached hereto as Exhibit J is document Bates No. NAVHOM085310-331 produced by Defendants in discovery in this proceeding.

12. Attached hereto as Exhibit K is document Bates No. NAVHOM02000031-40 produced by Defendants in discovery in this proceeding.

13. Attached hereto as Exhibit L are excerpts of the deposition of Patricia Peterson taken on September 19, 2017 (“Peterson I”).

14. Attached hereto as Exhibit M is document Bates No. NAVHOM01000674, dated January 8, 2009, and produced by Defendants in discovery in this proceeding.

15. Attached hereto as Exhibit N is document Bates No. NAVHOM01000729, dated December 10, 2014, produced by Defendants in discovery in this proceeding.

16. Attached hereto as Exhibit O is document Bates No. NAVHOM01115675-78, produced by Defendants in discovery in this proceeding. It is believed to be Defendants’ form letter advising borrowers who have a direct-to-consumer loan that their loan was not discharged in bankruptcy.

17. Attached hereto as Exhibit P is an excerpt of the data collected by the National Center for Education Studies in their IPEDS data center showing the cost of attendance for SUNY Empire State College for the academic years 2006-2007; 2007-2008; and 2008-2009.

18. Attached hereto as Exhibit Q is an excerpt of the data obtained from Navient in discovery in this proceeding as part of the Bates No. NAVHOMO1115515 with regard to former student R.P.

19. Attached hereto as Exhibit R is document Bates No. NAVHOM01105504 and NAVHOM01105668-69 produced by Defendants in discovery in this proceeding.

20. Attached hereto as Exhibit S is the text of 26 C.F.R. § 1.221-1, the IRS regulation that explains the deductibility of interest paid on “qualified education loans.”

21. Attached hereto as Exhibit T are subpoenas served by Defendants on Emerson College and Queens College seeking information on cost of attendance of Plaintiffs’ Homaidan and Youssef.

22. Attached hereto as Exhibit U is Defendants’ Objections and Responses to Plaintiff’s Second Set of Interrogatories, dated Sept. 10, 2019.

23. Attached hereto as Exhibit V are excerpts of the hearing held before this Court on April 9, 2018 in this proceeding and in the related proceeding of *Golden v. National Collegiate Trust et al., (In re Golden)*, Case No. 1-17-010005.

24. Attached hereto as Exhibit W are excerpts of the hearing held before this Court on Feb. 28, 2019 in *Ajasa v. Wells Fargo Bank (In re Ajasa and Lopez)*, Case No. 1-18-ap-01122 (ESS).

25. Plaintiffs believe that there are 31,662 individuals to whom Defendants have made direct-to-consumer loans since 2005. This number is based upon a database provided to Plaintiffs by Defendants (Bates No. NAVHOM01115514) which contains a list of approximately 320,000 separate student loans made by Defendants. From that list, Plaintiffs’ counsel were able to establish that 31,662 separate individuals had direct-to-consumer loans, that is, loans that were not

paid to the school, but rather, paid directly to the borrower and for which Defendants chose not to seek verification of the cost of attendance.

26. The firm of Boies Schiller Flexner, LLP has extensive experience in complex class-action litigation having been involved in literally scores of class actions. George Carpinello and Adam Shaw, in particular, are lead counsel in seven (7) class actions pending in the bankruptcy courts in the Southern and Eastern Districts relating to issues very similar to those addressed in this action. Three of those actions have already settled. In addition, Mr. Carpinello and Mr. Shaw are counsel in related actions pending in the Southern District of Texas and the District of New Jersey which also involve claims very similar to those alleged here, i.e., the collection by creditors on direct-to-consumer loans made to students that were discharged in bankruptcy.

27. In addition, Mr. Carpinello and Mr. Shaw represent objectors who were once class representative in a major class action in the Central District of California against the national credit reporting agencies alleging that such agencies failed to properly update their credit reports to indicate that debts had been discharged in bankruptcy. A team of lawyers, of which Mr. Carpinello and Mr. Shaw are members, is seeking to have existing class counsel removed for ethical violations and to have the team which includes Boies Schiller Flexner to be named as class counsel.

28. Thus, Mr. Carpinello and Mr. Shaw have extensive experience in class actions, either in bankruptcy court or related to bankruptcy proceedings, specifically concerning the actions of creditors seeking to collect on discharged debts.

29. With over 300 attorneys, Boies Schiller Flexner has the financial capability to incur the necessary costs for prosecuting these class actions. Thus, for example, Boies Schiller Flexner has disbursed all the litigation costs during the pendency of all seven (7) of the bankruptcy class actions described above.

I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: December 19, 2019

  
George F. Carpinello